

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.744

TO BE ANSWERED ON THE 20TH DECEMBER, 2017

FDI IN DEFENCE

744. SHRI A.P. JITHENDER REDDY:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of the percentage of foreign direct investment allowed in defence sector both under automatic route and government route;
- (b) the percentage of FDI allowed specifically for production of battle tanks, military transport aircraft, armoured vehicles, fighter aircraft, helicopters, submarines and warships;
- (c) whether there has been any notification / order of change of rules if any, and if so, the details of such notification / order;
- (d) whether there has been any instance where a joint venture has been allowed to invest more than 74 per cent FDI under any of the routes; and
- (e) if so, the details thereof?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

रक्षा राज्य मंत्री

(डा. सुभाष भामरे)

(a) to (e): A statement is attached.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK
SABHA UNSTARRED QUESTION NO. 744 FOR ANSWER ON 20.12.2017**

(a) to (c): As per current Foreign Direct Investment (FDI) policy in defence sector notified by Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry vide Press Note No.5 (2016 Series), FDI upto 49% is allowed under automatic route and beyond 49% through Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded. Further, FDI in defence is subject to industrial licence under Industries (Development & Regulation) Act, 1951 and manufacturing of Small Arms and Ammunition under the Arms Act, 1959.

(d) & (e): In so far as joint venture in the defence sector with more than 74 per cent FDI is concerned, no such proposal has been approved by the Government.
